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## News release

TSX – HBM  
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# HudBay Announces Pricing of the Tender Offer for the 9 5/8% Senior Secured Notes Due 2012 and That Approximately 94% of the Notes Have Been Tendered

DEC 7, 2006 - 14:40 ET

WINNIPEG, MANITOBA--(CCNMatthews - Dec. 7, 2006) - HudBay Minerals Inc.'s (HudBay") (TSX:HBM) today announced that the pricing terms of the tender offer by its wholly-owned subsidiary, Hudson Bay Mining and Smelting Co., Limited ("HBMS"), for any and all of HBMS' outstanding 9 5/8% Senior Secured Notes due 2012 (the "Notes") have been determined. Global Bondholder Services Corporation, the depository for the tender offer, has also advised HBMS that, as of 5:00 p.m., New York City time, on December 6, 2006 (the "Consent Date"), US\$42.24 million aggregate principal amount of the Notes had been validly tendered and not withdrawn and consents delivered and not revoked, representing approximately 94% of the Notes outstanding. The tender offer remains open and is scheduled to expire at 12:00 a.m., New York City time, on December 20, 2006 (the "Expiration Date").

The total consideration for the Notes tendered and accepted for purchase was determined as of 10:00 a.m., New York City time, on December 7, 2006 by reference to a fixed spread of 50 basis points over the 3 1/4% U.S. Treasury Security due January 15, 2009, pursuant to the terms and subject to the conditions set forth in HBMS' Offer to Purchase and Consent Solicitation Statement, dated November 22, 2006. Assuming an early payment date of December 8, 2006, the total consideration for each US\$1,000 principal amount of Notes validly tendered and not withdrawn at or prior to the Consent Date, is US\$1,133.30, which includes a consent payment of US\$30 per US\$1,000 principal amount of Notes. Holders whose Notes are validly tendered after the Consent Date but prior to the Expiration Date will be eligible to receive the tender offer consideration, determined as set forth in the Offer to Purchase and Consent Solicitation Statement, but will not be eligible to receive the consent payment of US\$30 per US\$1,000 principal amount of Notes. Closing of the tender offer is subject to customary conditions set forth in the Offer to Purchase and Consent Solicitation Statement.

HBMS has obtained the required consents to allow it to amend the indenture governing the Notes to eliminate most of the restrictive and affirmative covenants and certain events of default. HBMS intends to promptly execute a supplemental indenture containing such proposed amendments, which will become effective as set forth in the Offer to Purchase and Consent Solicitation Statement.

HBMS has engaged Credit Suisse Securities (USA) LLC to act as dealer manager for the tender offer and solicitation agent for the consent solicitation.

Questions regarding the tender offer and consent solicitation should be directed to:

Credit Suisse Securities (USA) LLC at (800) 820-1653 or (212) 538-0652.

Requests for documentation should be directed to:

Global Bondholder Services Corporation at (866) 470-4300 or (212) 430-3774, the information agent and depository for the tender offer and consent solicitation.

The tender offer and consent solicitation is being made solely by means of the tender offer documents. Under no circumstances shall this press release constitute an offer to purchase or the solicitation of an offer to sell the Notes or any other securities of HBMS or HudBay. It also is not a solicitation of consents to the proposed amendments to the indenture. No recommendation is made as to whether holders of the Notes should tender their Notes.

About HudBay Minerals Inc.

HudBay is an integrated mining company that operates mines, concentrators and a metal production complex in northern Manitoba and Saskatchewan. HudBay also owns a zinc oxide production facility in Ontario, the White Pine copper refinery in Michigan, and the Balmat zinc mine in New York state.

HudBay is a member of the S&P/TSX Composite Index.

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information", within the meaning of applicable securities legislation. Forward-looking information includes, but is

not limited to, statements with respect to HBMS' tender offer for any and all of HBMS' outstanding Notes and matters related thereto. Often, but not always, forward-looking information can be identified by the use of forward-looking words like "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management as of the date such information is provided and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of HudBay and HBMS to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks associated with the mining industry such as economics, requirements for additional capital, capital expenditures, conclusions of economic evaluations as well as those factors discussed in the section entitled "Risk Factors" in HudBay's Annual Information Form for the year ended December 31, 2005, available at [www.sedar.com](http://www.sedar.com), which is also contained in HudBay's Annual Report on Form 40-F, available at [www.sec.gov](http://www.sec.gov). Although HudBay and HBMS have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. HudBay and HBMS do not undertake to update any forward-looking information, except in accordance with applicable securities laws.